

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6326

BILL NUMBER: HB 1146

NOTE PREPARED: Nov 23, 2010

BILL AMENDED:

SUBJECT: Flavored Tobacco Products and Cigarettes.

FIRST AUTHOR: Rep. Smith V

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☐ FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill makes the manufacture, distribution, or advertising of flavored cigarettes a Class A infraction, and provides that the Alcohol and Tobacco Commission may revoke the registration or sales certificate of a person who manufactures, distributes, or advertises flavored cigarettes.

Effective Date: July 1, 2011.

Explanation of State Revenues: If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class A infraction is \$10,000, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), the public defense administration fee (\$3), the court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the

discretion of the judge and depending upon the particular type of case.

Background Information- As of September 2009, the U.S. Food and Drug Administration placed a ban on the production, sale, and advertising of candy- and fruit-flavored cigarettes.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: <http://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm183211.htm>

Fiscal Analyst: Diana Agidi, 317-232-9867.